

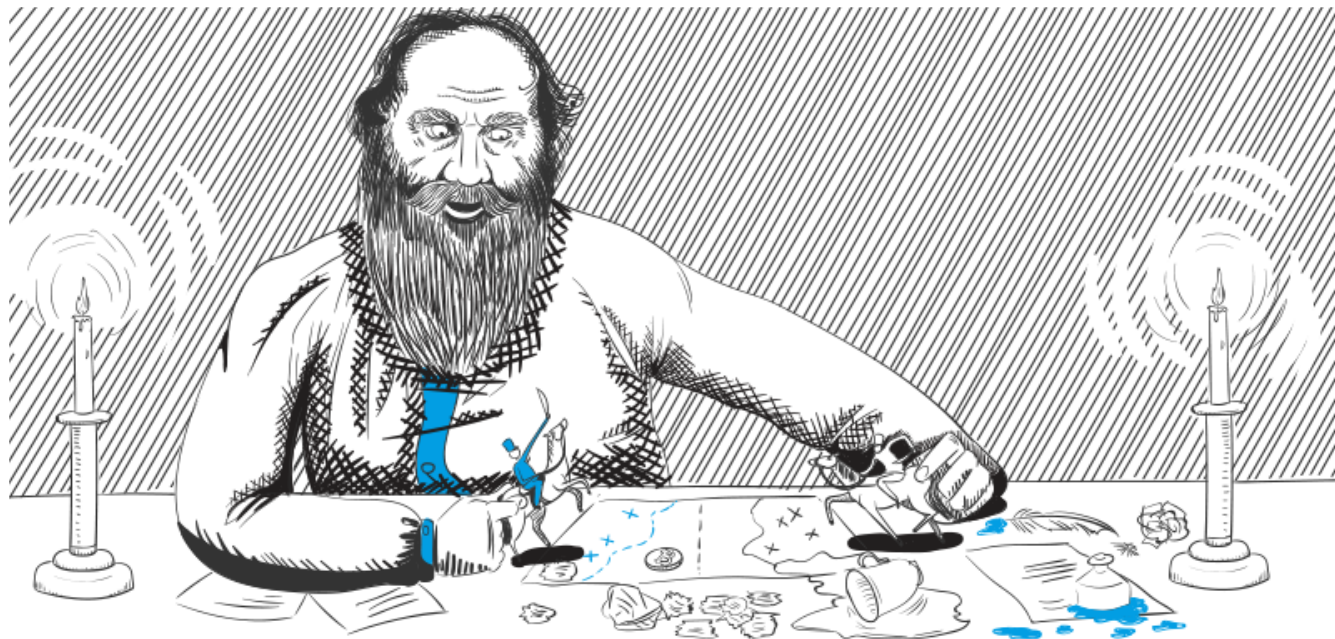
PAY

Why Bitcoin is Banned in Your Country

All countries that allowed bitcoin are alike, each country that declined it, made it in its own way.

March 2nd, 2017

Leo Tolstoy paraphrasing in the pre-text perfectly illustrates a situation over legislative Bitcoin regulation in 2017. As it marches through the world, and more merchants accept it, each country decides whether it is on the supporters' or the contradictors' side of this battle. Reasons why Bitcoin is banned are different, while the reason to adopt it is always the desire to follow the progress and obtain new technologies.



We often receive requests from users who are living under the 'bitcoin iron curtain', but also want to be the part of digital breakthrough to the traditional fiat system. Personally, I hate to answer "No" and leave our potential clients frustrated. Here's a list of countries that banned BTC that we're going to update to save you some effort and time applying to Cryptopay and similar services.

Countries that banned Bitcoin

If you've found your location in this list, you need to be careful to not break any laws.

Bangladesh

[Bangladesh Ministry of Finance](#) is concerned with money-laundering and terrorists financing potential of Bitcoin. Basel AML Index 2014 & 2015 states that Bangladesh is in a growing risk zone, because of the border it has with Myanmar — top-10 country in the money-laundering activity list. Another concern for free bitcoin usage in Bangladesh is illegal substances traffic, which is highly developed in the "Golden Triangle" of the South East Asia.

Therefore, at September 2014, Bangladesh Bank stated that "anybody caught using the virtual currency could be jailed under the country's strict anti-money laundering laws".

Russian Federation

In the time of writing this, bitcoin is considered as "not illegal" in the Russian federal tax official letter. However, the fate of Bitcoin in Russia is not defined yet. Later in 2014 Bitcoin was stated as illegal, while the leading economists tended to believe Russian economy should adopt new digital currencies in regard to versification and flexibility. The main arguments for declining new currency are terrorist and cyber crimes financing potential, alongside illegal drug traffic and using cryptocurrencies in money-laundering or Ponzi schemes.

November 2016, could be viewed as a turning point in Russian government's attitude to cryptocurrencies. The new regulatory law that would treat Bitcoin as a foreign currency was announced by Deputy Finance Minister Alexey Moiseev [in the end of 2016](#), but there were still no significant steps made towards accepting bitcoin. Localbitcoins.com is still blocked for Russian users indicating that more legislative measures may be implicated to Bitcoin anytime.

Iceland

The main concern for the Icelandic government is a competition Bitcoin could have with the Icelandic króna (ISK) — national country's currency. Specifically, in matters related to unauthorized transfers of foreign currency (Bitcoin also falls under this definition) across Iceland borders.

Following a 2014 opinion from [the Central Bank of Iceland](#) "there is no authorization to purchase foreign currency from financial institutions in Iceland or to transfer foreign currency across borders on the basis of transactions with virtual currency. For this reason alone, transactions with virtual currency are subject to restrictions in Iceland." This extreme position seems a bit hypocrisy, since mining is not prohibited by the Icelandic legislation.

China

As one of the largest economies in the world, China couldn't get aside of the Bitcoin legislation battle. While China is the centre of Bitcoin mining industry today, financial organisations such as banks or hedge funds can't hold or transit bitcoins. Individual users in their turn are able to store, exchange and trade bitcoins freely.

It's clear that Bitcoin would be a part of the government financial regulation one day, but should almost never become a legit currency alongside Yuan in China. According to the current regulations, it's more likely for China to invent their own cryptocurrency based on the blockchain technology. As of January 2017, Chinese government [issued a statement](#) that warns those to attempt to use Bitcoin of its potential risks.

Ecuador

Ecuador became one of the first countries that banned Bitcoin right after its invention in 2009 and the only famous by the reason of this restriction. Rumours are [Ecuadorian Ministry of Finance](#) works on developing its own cryptocurrency also based on the blockchain technology. Moreover, with growth of digital currencies, the government also issued a ban on any currency that can be defined as digital.

It seems we can't expect Bitcoin to be accepted in Ecuador any time soon, while the national analogue (if it'd be finished) would tend to be more South American than worldwide coin.



Indonesia

On December 2013, Indonesian Ministry of Finance's attitude to Bitcoin was quite warm. The executive director of communication of Bank Indonesia Difi Ahmad recognised Bitcoin as a potential payment method, but noticed that it could be used for scams and money laundering activity due to its decentralized nature. The [Central Bank of Indonesia](#) even studied bitcoin and claimed it has no plans on restricting it.

But by the February 2014, the Bank Indonesia issued another press release stating: "In view of the Act No. 7 Year 2012 concerning Currency and Act No. 23 Year 1999, which has been amended several times, the latest with Act No. 6 Year 2009, Bank Indonesia states that bitcoin and other virtual currency are not currency or legal payment instrument in Indonesia." While bitcoin haven't ever been officially banned, all operations with coins fall under money surrogate regulations.

Kyrgyzstan

In a July, 2014, statement of [the National Bank of the Kyrgyz Republic](#) made clear that [persons or entities](#) in any way using "virtual currency" subject to the all associated risks. And also, when involved in these activities, they assume all the possible negative consequences of the possible violation of the legislation of the Kyrgyz Republic.

The reasons mentioned in the official statement are lack of security, difficulties in determining the real value and risk of calculations made directly without the meditation of the regulator.

Bolivia

Banco Central de Bolivia [issued a resolution](#) to ban bitcoin on the state territory. The announcement on May 6, 2014 was met by its neighbours with surprise, since most of them has already legislated bitcoin. The document in spanish states that it's necessary to protect boliviano, Bolivia's national currency, and also protect its citizens from losing their funds.

Despite all hopes of other South American leaders, Bolivian government still stays firm on the ban and there's no evidence the situation will get better in the nearest future.

Taiwan

Taiwan often considered to be a paradise to Bitcoin travellers, since Bitcoin is legal here and accepted by more than 6000 merchants and exchange points. The rumours on Taiwan banned bitcoin appeared on Nov, 2014, but were revealed by the additional statement from the agency, saying Bitcoin is considered to be potentially dangerous.

The FSC's Banking Bureau, which is in response for claiming the official position told:

"At the end of 2013, the Central Bank of the Republic of China and the FSC has released a joint statement that defines Bitcoin as a 'virtual commodity'. Considering the non-currency nature and risk of Bitcoin, the FSC has required banks in Taiwan not to receive or exchange Bitcoin. At present, the FSC's position on this issue remains the same as before."

But while FSC's formally stays neutral towards bitcoin usage, ATM operators can't install any machines without the permission from FSC, which still not likely to be granted to 99% of requests.



How to change the situation?

Check the list of the most "depressive" countries in the Bitcoin vacuum. If you've found your location above, please be careful to not to end up in jail.

If you read the article carefully, you saw that the reasons of ban are different from each other and sometimes seem counter-logical. The only way for people to change the legislation is to let the governments know their demand in stable and decentralized currency. So, as soon your government leaders will take a conference, ask them the question from the article title.

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